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ECONOMIC VIEW

Public's Deficit Fix May Stun Politicians

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PHILADELPHIA

NEVER mind the movie. This was the real Mission Impossible.

Could three dozen ordinary American adults who had never met before — a group that included fresh college graduates, retired schoolteachers and a self-employed business owner — reach agreement on how to prevent a fiscal train wreck? Could they do any better than their elected leaders in Washington, and were they willing to make any sacrifices?

Those were the central questions behind a daylong exercise here aimed at exploring public attitudes on the gap between taxes paid and promises made.

The effort, conducted two weeks ago, was sponsored by three policy research groups with very different political views: the [Brookings Institution](#), home to many centrist [Democrats](#); the Heritage Foundation, a conservative stronghold that has staunchly supported President Bush's tax cuts and pushed for much deeper cuts in government spending; and the Concord Coalition, a bipartisan group that advocates fiscal discipline but is essentially neutral on whether it should come from higher taxes or lower spending.

Participants in the session were given a whirlwind tour of the nation's fiscal woes and then prodded to find out what solutions they could — and could not — agree on. The discussions here, along with two other sessions in Kansas City and San Diego, were run by Viewpoint Learning, a firm founded by the pollster Daniel Yankelovich.

The question for the researchers was this: do American voters, in their diversity and their focus on self-interest, share any consensus about making hard choices, or even on the need to make hard choices?

The researchers are still analyzing the results, to be published later this summer. But the session in Philadelphia left some strong impressions on a reporter permitted to observe it. Among them:

- The participants didn't hate taxes nearly as much as many [Republicans](#) think.
- They seemed to treasure Social Security and Medicare in their current forms, but were more open to change than many Democrats think.
- None of the participants pushed for less defense spending, even if the war in Iraq were to wind down.
- Nobody could agree on a single government program that ought to be cut or eliminated altogether.

The good news was that people here appeared less polarized and more open to sharing burdens than do

their elected leaders in Washington. The bad news was that the Philadelphia group thought the best solutions were to tax other people (smokers, drinkers, S.U.V. buyers, the rich) or to somehow “spend smarter.”

In that sense, participants were much like their elected representatives. The difference was that people were willing to contemplate higher taxes or other measures considered taboo in one party or the other.

Virtually no one needed to be persuaded that the federal budget is on an unsustainable path. Everyone accepted that federal spending has ballooned under President Bush, but that taxes have lagged far behind. The federal deficit is likely to be “only” about \$300 billion this year, but deficits over the next 10 years could total more than \$2 trillion if today’s policies remain unchanged.

The gravest fiscal problem begins at the end of this decade, when the nation’s 76 million baby boomers start to retire and claim old-age benefits. By 2050, according to the [Congressional Budget Office](#), outlays for Medicare and Social Security alone would be higher than the government’s total spending today.

Participants were given four strategies for tackling the problem. The first was do nothing, but wait and hope that economic growth eliminated the need for big changes.

The second approach put a priority on “keeping our promises to the elderly” while raising taxes and cutting spending in other areas.

The third was to “increase personal responsibility and choice,” shifting Medicare and Social Security from government financing to individual investment-type accounts.

The last strategy was to “invest in the future,” putting more money into education and economic development, but raising taxes and trimming old-age programs.

Not surprisingly, many people appeared overwhelmed at first. But nobody needed to be persuaded about the magnitude of the problem, and no one endorsed “wait and hope,” the de facto strategy in Washington.

More surprising, virtually all the participants agreed on the need for higher taxes. Many supported a repeal of Mr. Bush’s tax cuts of 2001.

That contrasted sharply with the adamant opposition to tax increases among Republican leaders, especially President Bush. But the openness to at least talking about higher taxes appeared unanimous among those in the Philadelphia group, including those who described themselves as supporters of Mr. Bush.

“I was surprised that so many people were in favor of higher taxes, but I think it’s a good thing,” said Anthony Condo, a construction contractor in his 50’s and a strong Bush supporter. “If taxes went up to lower the deficit, and I knew they were being used for that, I would be in favor of it.”

This isn’t to say that tax increases amount to a winning election issue. “Focus groups and polls create a kind of laboratory with conditions that don’t always exist in the real world,” said Geoffrey D. Garin, president of Peter D. Hart Research, a polling company that does work for many Democratic candidates (and was not involved in the Philadelphia exercise).

“When you have a linear conversation with people, where they concentrate their attention on the idea of trade-offs, they very frequently end up at a place like this.” said Mr. Garin. “The problem is that, in the real world, these sorts of linear conversations don’t exist.”

WHEN the subject shifted to reducing government spending, the group seemed less successful. Few if any people thought military spending was too high — even if the United States withdrew from Iraq. Nor was there agreement on other programs to cut. Most wanted more money for education, and many wanted more money for prescription drugs. Budget cuts, such as they were, involved “smarter” spending and a crackdown on waste, fraud and abuse.

At times during the day, it was possible to sympathize with lawmakers who throw up their arms and shift the debate to flag-burning.

Still, people seemed willing to accept change. Despite intense support for Social Security, for example, many said that workers should be encouraged to postpone retirement. And despite support for Medicare, there was approval for reducing “heroic” high-technology measures that might keep very old and very ill people alive for a few weeks or months.

So if there was a message, it was not that people wanted to dodge tough choices. It was that they wanted good ideas from their leaders.

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